

**CLAIM FOR REFUND OF CONTRIBUTIONS  
AND SUSPENSION OF MEMBERSHIP**

**Instructions for Completing this Form**

Please Read Carefully

**IMPORTANT:**

1. Remove the form. Do not return these instructions to PERF.
2. Please type or print. Use black ink.
3. Complete all information. Remember to put your name and Social Security Number at the top of every page.
4. Return the completed form directly to PERF at the address below.

**PRIVACY NOTICE**

Your Social Security Number is requested by this agency in accordance with the requirements of Internal Revenue Code. Disclosure is mandatory and this form will not be processed without this information.

Federal law prohibits the Public Employees' Retirement Fund (PERF) from making distributions from the Fund prior to "separation from employment." Also, PERF rule 35 IAC 1.2-6-6 states that if a PERF member terminates employment and becomes reemployed in a PERF-covered position within thirty (30) days from the date of termination, the member is not eligible for the refund of their contributions and accumulated interest. In addition, state law (IC 5-10.2-3-5) prohibits PERF from distributing employee contributions to members prior to their "termination of employment". Uninterrupted service in any capacity or reemployment that, in effect, is a continuation of employment, prevents PERF from making distributions to the employee from the Fund. Therefore, you should not complete this form if you intend to become reemployed in a PERF-covered position with ANY employer within thirty (30) days from your date of termination, or if you will continue uninterrupted employment in any capacity (full-time or part-time) in a PERF-covered position or a position not covered by PERF in any agency or department of your current employer.

**STEP 1: MEMBER INFORMATION**

**Member's Social Security Number:** Enter all nine digits of your Social Security Number. Your application will not be processed without this information.

**Date of Application:** Enter the date you completed the application.

**Member's Name:** Enter your first, middle initial, and last name.

**Member's Address:** Enter the full street address to which you would like the Refund payment(s) sent.

**City:** Enter the city to which you would like the Refund payment(s) sent.

**State:** Enter the state to which you would like the Refund payment(s) sent.

**ZIP Code:** Enter your five or nine-digit ZIP code.

**Member's Phone Number:** Enter your telephone numbers, beginning with area code. Please provide separate day and evening phone numbers.

**E-mail address:** Enter your E-mail address, if you have one.

## STEP 2. REASON FOR TERMINATION

You must select only one REASON:

**Choice Number 1 – Separation from Employment.** Select this choice only if you resigned or were discharged. This does not include transfer, promotion, or otherwise continuing uninterrupted employment in any capacity in a PERF covered position or non-PERF covered position in any agency or department of your employer.

OR

**Choice Number 2 – Disability.** Please attach a copy of your pending Social Security Claim for Disability. If you already have received a benefit award letter from the Social Security Administration, do not use this form. Instead please contact the PERF office for a Disability Retirement form.

## STEP 3: ELECTION FOR ANNUITY SAVINGS ACCOUNT PAYMENT

You must read, sign, print your name, and date the notice at the top of the page indicating that you understand your choice for payment of your Annuity Savings Account made below cannot be changed after this form is received by the Public Employees' Retirement Fund, and acknowledging you have read and understand the statement.

**You must select one payment election for the Taxable Portion  
AND one payment option for the Non-taxable Portion:**

### **Taxable Portion**

You may elect to have ALL of the taxable portion of your annuity savings account paid in the form of a DIRECT ROLLOVER into an eligible 401(a), 403(b) or governmental 457(b) plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf. This option defers any taxes owed on your annuity savings account balance.

For example, if the total value of your annuity savings account is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then \$15,000 will be a DIRECT ROLLOVER to an eligible 401(a), 403(b), or governmental 457(b) plan or Traditional IRA.

OR

You may elect to have the total amount of the taxable portion of your annuity savings account (less the mandatory withholding for federal income tax) *paid directly to you*.

For example, if the total value of your annuity savings account is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then \$15,000 will be paid directly to you, less the mandatory withholding for federal income tax.

OR

You may select this option if you want only a partial rollover of the taxable portion of your annuity savings account into an eligible 401(a), 403(b) or governmental 457(b) plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf. The amount you specify will be paid in the form of a DIRECT ROLLOVER into the plan. The remainder of the taxable portion of your annuity savings account which is not directly rolled over (less the mandatory withholding for federal income tax) will be *paid directly to you*. If you select this option, you must enter the amount of the partial rollover in the space provided on the form.

For example, if the total value of your annuity savings account is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then you could elect some amount such as \$8,000 to be paid as a DIRECT ROLLOVER to into an eligible 401(a), 403(b) or governmental 457(b) plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf, and the balance of \$7,000 (less the mandatory withholding for federal income tax) would be paid to you.

### **Non-taxable Portion**

You may elect to have ALL of the non-taxable portion of your annuity savings account paid in the form of a DIRECT ROLLOVER into an eligible Defined Contribution Plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf.

For example, if the total value of your annuity savings account is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then \$5,000 will be a DIRECT ROLLOVER to an eligible Defined Contribution Plan or Traditional IRA.

**OR**

You may elect to have the total amount of the non-taxable portion of your annuity savings account *paid directly to you*.

For example, if the total value of your annuity savings account is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then \$5,000 will be paid directly to you.

**OR**

You may select this option if you want only a partial rollover of the non-taxable portion of your annuity savings account into an eligible Defined Contribution Plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf. The amount you specify will be paid in the form of a DIRECT ROLLOVER into the plan. The remainder of the non-taxable portion of your annuity savings account which is not directly rolled will be *paid directly to you*. If you select this option, you must enter the amount of the partial rollover in the space provided on the form.

For example, if the total value of your annuity savings account is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then you could elect some amount, such as \$3,000, to be paid as a DIRECT ROLLOVER to an eligible Defined Contribution Plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf, and the balance of \$2,000 would be paid to you.

**Rollover Information** If you have selected rollover of all or part of your funds to an eligible retirement plan, defined contribution plan, or Traditional IRA, you will need to enter the information here so the payment may be properly completed. *Please note that the eligible rollover recipients are different for the taxable and non-taxable portions of your account.*

## **STEP 4: FEDERAL AND STATE WITHHOLDING**

**Federal Withholding** Eligible rollover distributions paid to you from the plan are subject to mandatory federal income tax withholding. We will withhold twenty percent (20%) from the taxable portion of your distribution unless you elect a direct rollover. See the attached special tax notice for more information.

**State Withholding** If you do not elect otherwise, we will withhold 3.4% of the taxable portion of your account that is paid directly to you. If you do not want any State tax withheld, sign and date this election.

**Even if you elect to have State tax withheld, you are still liable for payment of any tax due on the taxable portion of your distribution. You may also be subject to tax penalties under the State and Federal estimated tax payment rules if your payments of estimated tax and withholding are not adequate. You should always seek competent, qualified tax advice before making any decision affecting your potential tax liability.**

## **STEP 5: CERTIFICATION FOR MEMBERS WITH 10 OR MORE YEARS OF CREDITABLE SERVICE**

If you have (10) or more years of creditable service, you must sign and date this section to acknowledge that you understand you are forfeiting both creditable service in PERF and also your **vested rights** to a pension benefit from PERF unless you return to work in a PERF covered position for six consecutive months.

## STEP 6: MEMBER AFFIDAVIT AND NOTARIZATION

Your refund application form must be notarized before it will be processed. Fill in the state and county of your residence and your Social Security Number in the spaces provided. Take the form to a duly commissioned notary public. The notary public will ask you to swear or affirm to the truth of all of the information you supplied on the application form and to sign the form in his or her presence. The notary will then complete the form and affix his or her seal to it.

## STEP 7: EMPLOYER'S CERTIFICATION.

After you have had the form notarized, ask your employer to fill in the employer's certification and immediately return the form to PERF to avoid delay in your refund application processing.

**To the Employer: This application cannot be processed without the information in this Step.**

### RETURN THE FORM TO PERF

Once the form has been completed according to these instructions and notarized, return the form (DO NOT return the instructions) to the Public Employees' Retirement Fund at the following address:

**Public Employees' Retirement Fund  
143 West Market Street  
Indianapolis, IN 46204**

### MEMBER NOTE: CHANGES TO INFORMATION –

IF YOU HAVE ANY CHANGES TO ANY OF THE INFORMATION ON THIS FORM SUCH AS NAME OR ADDRESS, PLEASE IMMEDIATELY NOTIFY PERF AT THE ADDRESS ABOVE. THIS IS TO ENSURE THAT YOU RECEIVE CORRECT AND IMPORTANT INFORMATION REGARDING YOUR BENEFITS AND TAXES.

## HELPFUL INFORMATION

### PERF TELEPHONE NUMBERS:

Indianapolis & vicinity (317) 233-4162  
Toll-Free Number 1-(888) 526-1687  
TDD (hearing impaired number) (317) 233-4160  
FAX Number (317) 232-1614  
PERF on the Internet: [www.state.in.us/perf](http://www.state.in.us/perf)  
PERF MEMBER HANDBOOK (latest edition)  
PERF ANNUITY SAVINGS ACCOUNT INVESTMENT HANDBOOK

### INTERNAL REVENUE SERVICE:

TELEPHONE NUMBERS:  
Toll-Free Number 1-(829) 829-1040  
TDD (hearing impaired number) 1-(800)-829-4059  
Tele Tax 1-(800)-829-4477  
IRS PUBLICATION 575, PENSION AND ANNUITY INFORMATION  
IRS PUBLICATION 590, INDIVIDUAL RETIREMENT ARRANGEMENTS  
IRS WEBSITE: [www.irs.gov](http://www.irs.gov)

### INDIANA STATE DEPARTMENT OF REVENUE (DOR)

TELEPHONE NUMBERS:  
Indianapolis & vicinity (317) 233-4018  
TDD (hearing impaired number) (317) 233-4952  
Fax Number (317) 233-2329  
Individual Income Tax Questions (317) 232-2240  
Outside of Indianapolis – See DOR Website  
DOR WEBSITE: [www.in.gov/dor](http://www.in.gov/dor)

## **SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS**

This notice explains how you can continue to defer federal income tax on your retirement savings in the Public Employees' Retirement Fund (PERF) and contains important information you will need before you decide how to receive your Plan benefits.

**This notice is provided to you by PERF because all or part of the payment that you will soon receive from PERF may be eligible for rollover by you or PERF to a traditional IRA or an eligible employer plan. A rollover is a payment by you or PERF of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).**

**An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from PERF. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.**

**If you have additional questions after reading this notice, you can contact PERF at (888) 526-1687 or (317) 233-4162.**

### **SUMMARY**

There are two ways you may be able to receive a PERF payment that is eligible for rollover:

1. Certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or
2. The payment can be PAID TO YOU.

If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.

- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a PERF payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the taxable amount of the payment, because PERF is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59-1/2, you may have to pay an additional 10% tax.
- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

*Your Right to Waive the 30-Day Notice Period.* Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. You may do this by completing an application and submitting it to PERF. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by PERF.

## **MORE INFORMATION**

- I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER
- II. DIRECT ROLLOVER
- III. PAYMENT PAID TO YOU
- IV. SURVIVING SPOUSES AND OTHER BENEFICIARIES

### **I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER**

Payments from PERF may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. PERF should be able to tell you what portion of your payment is an eligible rollover distribution.

***After-tax Contributions.*** If you made after-tax contributions to PERF, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

***(a) Rollover into a Traditional IRA.*** You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. PERF can tell you how much of your payment is the taxable portion and how much is the after-tax portion.

If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.

Once you roll over your after-tax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.

**(b) Rollover into an Employer Plan.** You can roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) such as PERF or a section 403(a) annuity plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You can also roll over after-tax contributions from a section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a direct rollover if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You CANNOT roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct PERF to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

The following types of payments *cannot* be rolled over:

**Payments Spread over Long Periods.** You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- your lifetime (or a period measured by your life expectancy), or
- your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- a period of 10 years or more.

**Required Minimum Payments.** Beginning when you reach age 70-1/2 or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

**Corrective Distributions.** A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

PERF can tell you if your payment includes amounts which cannot be rolled over.

## II. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER.

**DIRECT ROLLOVER to a Traditional IRA.** You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other

limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

***DIRECT ROLLOVER to a Plan.*** If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

***DIRECT ROLLOVER of a Series of Payments.*** If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

***Change in Tax Treatment Resulting from a DIRECT ROLLOVER.*** The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from PERF. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are under Age 59-1/2 " and "Special Tax Treatment if You Were Born before January 1, 1936."

### **III. PAYMENT PAID TO YOU**

If your payment can be rolled over (see Part I above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

#### ***Income Tax Withholding:***

***Mandatory Withholding.*** If any portion of your payment can be rolled over under Part I above and you do not elect to make a DIRECT ROLLOVER, PERF is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because PERF must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full \$10,000 as a taxable payment from PERF. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200.

***Voluntary Withholding.*** If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask PERF for the Federal Tax Withholding Form W-4P and related information.

***Sixty-Day Rollover Option.*** If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace



the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

**Example:** The taxable portion of your payment that can be rolled over under Part I above is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the \$8,000 you received from PERF, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of part or all of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

**Additional 10% Tax If You Are under Age 59-1/2.** If you receive a payment before you reach age 59-1/2 and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) payments that are paid directly to the government to satisfy a federal tax levy, or (5) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59-1/2, unless one of the exceptions applies.

**Special Tax Treatment If You Were Born before January 1, 1936.** If you receive a payment from a plan qualified under section 401(a) such as PERF or a section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance under the plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59-1/2 or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59-1/2 or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

**Ten-Year Averaging.** If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

**Capital Gain Treatment.** If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in PERF before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in PERF taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into PERF from a 403(b) tax-sheltered annuity contract, a governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from PERF (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from PERF. If you roll over your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will

not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

#### **IV. SURVIVING SPOUSES AND OTHER BENEFICIARIES**

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees.

If you are a surviving spouse, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a DIRECT ROLLOVER to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59-1/2 .

If you are a surviving spouse or another beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include employer stock, as described in Part III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in PERF.

#### **HOW TO OBTAIN ADDITIONAL INFORMATION**

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with PERF or a professional tax advisor *before* you take a payment of your benefits from PERF. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, *Pension and Annuity Income*, and IRS Publication 590, *Individual Retirement Arrangements*. These publications are available from your local IRS office, on the IRS's Internet Web Site at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORMS.

# Claim for Refund of Contributions and Suspension of Membership

State Form 940 (R8/07-09-2002)

Your Social Security Number is requested by this agency in accordance with the requirements of the Internal Revenue Code. Disclosure is mandatory and this form will not be processed without this information.

## INSTRUCTIONS:

1. Please TYPE or PRINT. Use black ink.
2. Complete all information. Remember to put your name and Social Security Number at the top of every page.
3. Return the completed form directly to PERF at the address below. **Do Not return the instruction pages.**

### Step 1: MEMBER INFORMATION

Social Security Number _ _ _ - _ _ - _ _		Date (mm/dd/yyyy)	
First Name	MI	Last Name	
Address			
City		State	Zip code
Day Phone		Evening Phone	
E-mail Address			

### Step 2: REASON FOR REFUND (Please Check Only One)

☐

#### 1. Separation from Employment

Separation from employment may only occur on resignation or discharge, and not on transfer, promotion or otherwise continuing uninterrupted employment in any capacity (full-time or part-time) in a PERF- covered position or a position not covered by PERF with any agency or department of your current employer.

Or

☐

#### 2. Disability

**Please attach a copy of your pending Social Security Claim for Disability.** (If you have already received a benefit award letter from the Social Security Administration, do not use this form. Instead, please contact the PERF office for a Disability Retirement application.)

Member Name (Last, First, Middle Initial)

Social Security Number

\_\_\_\_ - \_\_\_\_ - \_\_\_\_

### Step 3: ELECTION FOR ANNUITY SAVINGS ACCOUNT PAYMENT

I elect the following distribution for my Annuity Savings Account. I understand that my choice for payment of my Annuity Savings Account made below cannot be changed after this form is received by PERF, and by signing below I acknowledge that I have read and understand this statement.

Member Signature

Printed Name

**I elect a complete distribution of my Annuity Savings Account as follows:**

#### SELECT ONLY ONE (1) FROM EACH COLUMN

##### Taxable Portion

☐

Direct Rollover

☐

Paid Directly to me (less withholding)

☐

Partial Rollover in the amount of

\$ \_\_\_\_\_, balance (less withholding) paid to me.

##### Non-Taxable Portion

☐

Direct Rollover

☐

Paid Directly to me

☐

Partial Rollover in the amount of

\$ \_\_\_\_\_, balance paid to me.

#### COMPLETE ONLY IF YOU SELECT A ROLLOVER

##### Taxable Portion

\_\_\_\_\_  
*Name of Eligible 401(a), 403(b), or governmental 457(b) Retirement Plan or Traditional IRA*

##### Non-Taxable Portion

\_\_\_\_\_  
*Name of Eligible Defined Contribution Plan or Traditional IRA*

*(This must be the complete name of the Eligible Plan or Traditional IRA as reported by the trustee to the IRS).*

### Step 4: ELECTION FOR INCOME TAX WITHHOLDING

#### STATE TAX:

I do not want State income tax withheld from my distribution.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Printed Name

Member Name (Last, First, Middle Initial)

Social Security Number

\_\_\_\_ - \_\_\_\_ - \_\_\_\_

### Step 5: CERTIFICATION FOR MEMBERS WITH 10 OR MORE YEARS OF CREDITABLE SERVICE:

If you have ten (10) years or more of creditable service, this Claim for Refund of Contributions and Suspension of Membership will not be processed unless you complete this certification.

I hereby acknowledge that I understand that, in making this Claim for Refund of Contributions and Suspension of Membership, I forfeit my creditable service earned to date and my vested rights to a pension benefit from PERF. I hereby release PERF from any liability for honoring this claim for refund and releasing to me my contributions and accrued interest.

Member Signature

Printed Name

### Step 6: MEMBER AFFIDAVIT AND NOTARIZATION

I, having been sworn, hereby submit this Claim for Refund of Contributions and Suspension of Membership and say under oath:

That I am the person who completed this refund application.

I have carefully read the form and understand the same, and that I have read all of the information I have been provided with this application, including all instructions and supplemental documents.

That all of the information I have provided and the questions I have answered are full, complete and true, and that no material fact has been concealed or omitted therefrom.

I further certify that I am not going to enter a PERF-covered position with any employer any time within thirty (30) days of this date of termination, and that I am not continuing uninterrupted employment in any capacity (full-time or part-time, in a PERF-covered position or a position not covered by PERF) in any agency or department of my current employer.

Pursuant to IC 5-10.2-3-5 and IC 5-10.2-3-6, I hereby suspend my membership in the Fund and request a refund of my contributions plus interest credited to me. I understand fully that once this claim has been processed by PERF and I have received a refund check or warrant, this transaction may not be voided by a return of the check, warrant or money.

\_\_\_\_\_  
Member signature

State of \_\_\_\_\_

SS:

County of \_\_\_\_\_

Subscribed and sworn to before me, a Notary Public in and for the State and County above named,

by the said \_\_\_\_\_

Member (please print)

on this date \_\_\_\_\_

month

day

year

\_\_\_\_\_  
County of Residence

\_\_\_\_\_  
Notary Signature and Seal

\_\_\_\_\_  
Commission Expiration Date

\_\_\_\_\_  
Notary's Name (please print)

Member Name (Last, First, Middle Initial)

Social Security Number

\_\_\_\_ - \_\_\_\_ - \_\_\_\_

### Step 7: EMPLOYER'S CERTIFICATION

I hereby certify that the last day in pay status in a PERF-covered position for this employee:

\_\_\_\_\_  
Member Name (First Name, Middle Initial, Last Name)

\_\_\_\_ - \_\_\_\_ - \_\_\_\_  
Social Security No.

was \_\_\_\_/\_\_\_\_/\_\_\_\_ and that the employee was issued  
month day year

a final payroll check, including vacation pay, dated \_\_\_\_/\_\_\_\_/\_\_\_\_  
month day year

I further certify that the employee is not continuing uninterrupted employment in any capacity (full-time or part-time) in a PERF-covered position or a position not covered by PERF in any agency or department of this employer.

\_\_\_\_\_  
Name of Employer

\_\_\_\_\_  
Employer's Account Number

\_\_\_\_\_  
Address

\_\_\_\_\_  
Signed (Authorized Agent)

\_\_\_\_\_  
Printed Name (Authorized Agent)

**NOTE: THE EMPLOYER SHOULD NOT COMPLETE THIS SECTION OR FORWARD THIS REFUND CLAIM TO PERF UNTIL EMPLOYEE IS SEPARATED FROM EMPLOYMENT.**

**Return this form to: Public Employees' Retirement Fund  
143 West Market Street  
Indianapolis, IN 46204**